

State of the City Address

Mayor Ed Garza

January 31, 2005

Moderator: Time Warner Cable, San Antonio, and the Greater San Antonio Chamber of Commerce proudly present the State of the City Address, with San Antonio's Honorable Mayor Ed D. Garza.

It is now my pleasure to introduce John Monford. John Monford has served this state and this business community in so many capacities as an elected leader in the Texas Senate, as a leader of higher education at Texas Tech, as a senior executive officer at S.B.C. But he is off to a running start as Chairman this year. We've already had him traveling out to St. Augustine on the P.G.A. Tour project down at Council with the Mayor until 1:30 in the morning on P.G.A. and C.P.S. power lines. John has been tireless in his service as Chairman. He also is associated with a little bitty local company that made a really great announcement this morning, so it's a special pleasure to introduce the number one representative of S.B.C. here today, our Chairman, John Monford.

John Monford: Thank you. Thank you, ladies and gentlemen. Ed Garza has dedicated eight years of public service to our great city. He served two terms as District 7 City Council Representative, and is now completing his second term as Mayor. He's had many accomplishments. He led the Council's approval of the extraordinary Community Infrastructure and Development Fund, which has put San Antonio at the forefront nationally in economic development. He's been an agent of positive change for our city. He's brought hard work, vision and leadership. As a community we are grateful for the significant accomplishments Ed Garza has had during his tenure. His efforts on improving our

infrastructure, economic development, expansion of our bio-medical and high-tech industries, and certainly education, have been significant.

Some highlights of these initiatives include, of course, the Mayor's initiative referred to as City South, the 57 square mile area on our city's south side, where Toyota's newest North American manufacturing facility, along with 18 suppliers, will be located. His support of the proposed Texas A&M 4-year campus coming to San Antonio, which pains me, being both a Red Raider and Texas Longhorn. But it's okay, Mayor. His leadership with Military City U.S.A., with the enrichment of our participation in the establishment of Brooks City Base, his role in the transfer of the U.S. Army Southern Command to Fort Sam Houston, only to name a few.

Mayor Garza serves on several local and statewide boards and committees, including the San Antonio Water System, City Public Service, and the Texas Municipal League. He is currently President of the National Association of Hispanic Elected Local Officials. He also serves on the board of advisors for the National League of Cities. It has been a privilege to work with the Mayor in these very exciting times for our city. Ladies and gentlemen, would you please welcome the Mayor of America's 8th largest city, the Honorable Ed Garza.

Mayor Garza: Thank you. Thank you very much. Thank you, John, for the introduction and I certainly have enjoyed getting to work with John Monford as your new leader of the Greater Chamber and Joe Cryer and the members of the Board. But I think John's perspective from the legislature certainly will be a benefit to our community. And I want to thank SBC for allowing John to be part of our community in this way, and what great

news to pick up the paper, as we saw today, and to see that headline. And John, my only criticism is couldn't you have waited until tomorrow so I could have taken the credit?

Again, let me thank the Greater Chamber for hosting today's luncheon and to the Alliance of Chambers, who have made a commitment to work together to make our city stronger. I want to thank all of them for what they do. Of course I could not be mayor of this city, and certainly not do the job without the loving support of my beautiful wife, Anna Laura, and I want to say thank you to her, and not only express my love but also my gratitude for allowing me to serve this beautiful city of San Antonio. Thank you.

And my family was recognized, my father, my step-mother, my aunt and others, Gloria Fernandez, Suchy's Flowers & Gifts, long-time friend, teacher. I wanted to have at least a sample of the individuals that certainly have been supportive throughout this journey as a public official. To my employer, Rudy Rodriguez. I have been employed with International Waterfront Group since 1997, and you talk about flexibility! I want to thank Rudy, certainly for being supportive and allowing me to not only have a real job away from being mayor, but certainly being supportive as a friend.

I'd like to begin my remarks today by reading an email I received at the beginning of the year. This email is from a gentleman named William Swatner, who has a teenage daughter attending John Marshall High School. It reads as follows, "The P.G.A. issue. I stayed up with you last night through the whole thing. The difference being me from my comfy sofa in my pajamas and you in your suit downtown. You and I grew up in similar neighborhoods and attended the same high school. I got my

college degree from the University, you chose to go elsewhere, some college east of Austin. So I ask you to think carefully, what is driving the division? Water is an issue, but not the issue. The environment is an issue, but not the issue. The process might be an issue, but none of these are the driving issues behind the anti-P.G.A. people. On a larger, historical scale, what is driving this passion? The folks in favor by and large wore suits and spoke from prepared text. The folks against wore jeans, they were less polished in their speaking. I asked these questions because this passion will not end with the P.G.A. Whatever is driving this 'peasant rebellion,' to take a phrase from Martin Luther King, no disrespect intended, is still simmering. Los Angeles saw South Central erupt into chaos and violence because of a jury verdict. I have heard the bitterness over the P.G.A. issue for the better part of two years. It will continue to come back and has the potential to divide the city that you and I love and chose to live in. What is under the skin of our society in San Antonio that is causing this?" was the question he posed in this email.

I begin with this observation from a San Antonio citizen, because in a community where great prosperity has been afforded, conflict and disillusionment still exist. From the battle of the Alamo to the battle of the P.G.A. conflict and bitterness was a result from the prosperity that followed. And as I prepared my remarks for today's State of the City Address, I did so with mixed emotions. I reflected back at 2004, recalling the many great events and news our city generated as well as the struggles and tragedies that many in our community faced each day. In an attempt to answer Mr. Swatner's email, and to be able to recap 2004 and be able to project into 2005, I decided to take a step back and reflect on our city's rich historic past. Forgive me if this history lesson about San Antonio is common knowledge. However, I think to better

appreciate the hopes and dreams of the future of our dynamic city we must pause and reacquaint ourselves with the story of San Antonio.

I have often wondered, while looking out my City Hall office window towards the cathedral what the Canary Islanders' perception of this area was during the founding of San Fernando in 1731. In 1778 the population of our community was just around 2,000. Its circumstances were described as miserable by visitors. Imagine Melvin Tennant trying to sell that to visitors! The population was poor and heterogeneous, made up of Europeans, Mestizos and a few black slaves. The missions were secularized by 1795, and San Antonio de Valero, the Alamo became military barracks. The military identity for San Antonio was born. San Antonio declared for Mexican independence in 1813. It was recaptured by Royalist forces after the Battles of Alazan Creek and Medina, and the population was decimated by purgists. During the Texas Revolution, San Antonio was the site of several more battles, including the Siege of Bexar and the Battle of the Alamo, which made it the most fought-over city in North America. In all, over 12 known battles occurred during this timeframe. So in our city's first 60 years of existence we went from miserable to the most fought-over city in North America.

The first Town Council in San Antonio organized in 1837, held meetings in both English and Spanish. City government was then dominated by Hispanics. San Antonio was seized twice in the Mexican Invasion of 1842, and the population was reduced to about 800 in 1846.

After Texas entered the Union, growth became rapid as the city began servicing and distributing the western movement of the United States. The distribution component of our economy was also created. The

census showed a population of 3,000 in 1850 and about 8,000 in 1860, when San Antonio became, for the time, the largest town in Texas.

German speakers outnumbered both Hispanics and Anglos until after 1877. After the Civil War San Antonio prospered as a cattle distribution, mercantile and military center. The city was a southern hub and supplier of the cattle trail drives.

With the coming of the Galveston, Harrisburg and San Antonio railway in 1877, San Antonio entered a new era of economic growth. City government, utilities, street paving and maintenance, water supply, telephones, hospitals and a power plant were all established or being planned. San Antonio was once again the largest city in Texas in 1900, with a population of 53,000.

After 1910 Mexican immigration greatly increased due to the Mexican Revolution, and the development of local service industries. Now on a personal note, my mother's father, David Lopez, came to the United States, fled Mexico with his family during this important time frame. The confluence of Hispanic, German and southern Anglo-American cultures in San Antonio made it into one of America's four unique cities.

San Antonio had fallen behind Houston and Dallas in population by 1930. Of significance, however, was the opening of my alma mater, Thomas Jefferson High School, in 1932. In fact many of San Antonio's architectural treasures were built during this W.P.A. timeframe. After a period of slow growth in the 1930's, San Antonio's population increased by 61% during the wartime boom of the 1940's, to reach about 400,000 in 1950. The downtown river beautification project envisioned by architect Robert Hugman became a reality in 1941, and the dreams of

the conservationists and civic leaders that began in the 1920's was becoming a reality.

It was Walter W. McAllister who, in 1945, founded the San Antonio Union Junior College District, today known as the Alamo Community College District. San Antonio became an important military center for the Army and Air Forces during both World Wars, thus making Fort Sam, Kelly, Randolph, Lackland and Brooks the leading economic generators for our city, our identity.

Until 1955 city government followed the classic Mayor Alderman pattern, in which appeared a number of colorful mayors, lively elections, and little to no corruption. In 1955 San Antonio opted for the Council Manager form of government, and at the time was dominated by Anglos and Germans. In that same year my father, Martin Garza, enrolled as a freshman teenager at the prestigious Thomas Jefferson High School. My grandfather and great-grandfather wanted my Dad to receive the best education, and opportunity to develop his quarterbacking skills. Unfortunately, my Dad left Jefferson after one semester because of the discrimination he had encountered. He went back to Fox Tech High School, where he became the starting quarterback and graduated in 1959. But because of the dedication and focus of my great-grandfather, Elidoro Garza, a 1st generation Texan, and my grandfather, Efrain Garza, a 2nd generation, they demanded that my father be the first in his family, a 3rd generation Mexican-American, to not only receive a Bachelor's degree but a Master's degree. During that same time period, in 1961, Walter W. McAllister was elected mayor of San Antonio. During his early years as mayor, Mr. McAllister presented a young beautiful lady name Evangelina Lopez, a lifetime achievement award for her involvement in the Orchidia Social Club. That young single lady just

happened to give birth on the banks of the San Antonio River to a son in 1969 named Edward David Garza...and that was at the Nix Hospital, by the way.

I share and integrate these personal stories into the macro history of our city because it truly demonstrates the daily occurrences on the most personal level, while our city continues to mature, continues to grow, continues to move forward. Conflict and prosperity, the soul of San Antonio.

And perhaps one of the most trying times in our society was during the 1960's Civil Rights era. San Antonio, however, continued to invest in major capital projects that would forever change the city's skyline, landscape, and the city of San Antonio itself. Business and civic leaders came together in support of the North Expressway, known as Highway 281. It was seen as a vital component in supporting the soon-arriving World Fair. They saw the long-term issues of environment and quality of life brought up in debate over the expressway as incidental in the face of the Fair. They also saw correctly that at stake was a singular opportunity to transform San Antonio into a dynamic city with more to recommend it than a military-based economy and the memory of the Alamo. This battle would last for a decade. So that three-year battle of the P.G.A. doesn't look so bad anymore. If that wasn't controversial enough, HemisFair '68 soon took center stage. Three sites were studied, but ultimately a 92-acre site adjacent to the proposed North Expressway, and near the Riverwalk was selected.

Bill Sinkin, I know he's not here, was one of those leaders who was instrumental in making that vision become a reality. But again, this was another example of a project that created opportunity and prosperity

while at the same time cleared homes and businesses, many of historic value. Conflict and prosperity, the soul of San Antonio.

The 1970's were also a period of transition years for San Antonio. The Good Government League was being challenged by a man named Charles Becker, who shortly thereafter was elected Mayor. Lila Cockrell became the first woman mayor elected to a major city, and in 1977 San Antonio moved to elect its Council by single-member districts. That year, by the way, was my first campaign election that I worked as a poll worker at the age of 8. This was also a significant growth period as we saw the building of the new U.S.A.A. campus, the building of the South Texas Medical Center, the Health Science Center, the University of Texas at San Antonio. These projects brought much conflict but prosperity, the soul of San Antonio.

And after HemisFair '68, with the building of the Convention Center and new hotels, the Riverwalk became synonymous with San Antonio's identity, making tourism a major sector of the economy. And how can we not mention the beginning of San Antonio's first major sports franchise, the San Antonio Spurs. The nation's Mexican-American community came alive in the 1980's, and much of that attention was due to the election of Henry Cisneros, Mayor of San Antonio. It was an era that placed San Antonio in the national spotlight. The city became a national and international player in corporate boardrooms. The creation of the Education Partnership, providing scholarships to deserving high school students was created. International sister city programs were created, and investment in the bio-medical health care sectors were all noted accomplishments during this decade. With this growth and prosperity, the city's development pattern quickly marched due north towards the sensitive Edwards Recharge Zone, and left behind dozens of

commercial corridors and neighborhoods that began to decay. Conflict and prosperity, the soul of San Antonio.

The Henry Cisneros era was particularly special for me, as I graduated in 1986 from Jefferson High, ironically the same school my father left in the '50's. Also in that year, my mother, Evangelina, was recognized with 10 other women, including Judge Cindy Krier, as an outstanding woman in San Antonio by the Express News. Unfortunately, a year after this recognition, my mother died of cancer. Conflict and prosperity, the soul of San Antonio.

In the early 1900's...excuse me, the early 1990's...we don't want to go back. Angry San Antonio voters enacted the strictest term limits in the country, while at the same time Mayor Nelson Wolff led the local effort in the relocation of the corporate headquarters of S.B.C., thus making telecommunications a new component of the San Antonio economy. Conflict and prosperity, the soul of San Antonio.

And for almost a decade, from 1997 to the present, two mayors, Howard Peak, and yours truly, with strong planning backgrounds, focused on the physical development of our city. Improvements to important policy included a new Unified Development Code, tree preservation, landscape ordinance, water quality ordinance, drainage improvements, purchasing land over the recharge zone, balanced growth to the south, and community revitalization in the inner city. That will change. I will probably bet the next mayor will be an attorney. But we've come a long way, San Antonio.

Let us now reflect quickly and present San Antonio in 2004. I am pleased to stand here today before you and to state categorically that

2004 was a year in which we had imaginative change. We celebrated for the first time our birth date in October as a city, thanks in large measure to the persistence of Frank Jennings. San Antonio started off in 2004 by ranking 4th in *Inc. Magazine's* top 25 cities to do business in America. San Antonio was recognized for a steady population growth, a diverse economy, strong military presence and affordable cost of living. Kelly U.S.A. realized growth as well, with core design completions investing in a \$12 million, 120,000 square foot hanger, adding 100 new high-tech jobs to our community, and I want to thank Bruce Miller and the members of the G.K.D.A. Board for their hard work. Chave Gonzaba, a former member, thank you.

Brooks City Base, on the southeast side of town has also seen its share of success. In November the Brooks Development Board announced a City Base landing shopping center, a multi-million dollar retail center that will provide the needed income to support the infrastructure needs to grow the Brooks campus. In addition, the City Council recently approved a tax phase-in for D.P.T. Laboratories, the privately owned pharmaceutical company known nationally as a manufacturer of products for Fortune 500 pharmaceutical companies, to locate its research and development facility at Brooks City Base.

Once again we had a balanced budget without a tax increase, and with only minor cuts in services. The homestead exemption for seniors was increased, and this next May the citizens will have an opportunity to vote for Proposition 13, which is an across-the-board tax freeze for senior citizens and the disabled.

We saw San Antonio's ranking improve as a fit city. The San Antonio Sports Foundation and Susan Blackwood are to be commended for the

success they've had with the Go Kids Challenge, challenging our elementary school-age kids to get out and exercise. We've also seen significant improvements in our water and electrical resources, through C.P.S.'s plans for a new state-of-the-art coal fired plant, but an increase in renewable resources, and S.A.W.S.'s plans for improving the infrastructure and identifying new sources of water. And I want to thank those members from both entities that are here as well.

We have had change in our governing structure through the charter election in May that has created the strongest Ethics Review Board in the state. The Council also took monumental steps in the passage of our city's first campaign finance ordinance. The Council worked hard and diligent through a number of controversial initiatives by awarding a new concessions contract for the Tower of the Americas, the river barge contract and finally, yes, finally the Convention Center Hotel. In all three of these votes the Council was unanimous in its election. In November voters approved a much-needed sales tax to fund the Advanced Transportation District, our partners at VIA, SAMCO, are all to be commended, the Chamber, for their hard work in getting this very important initiative passed. I want to recognize Hope Andrade for her leadership as a Commissioner and certainly being an advocate for south Texas, and really all of Texas, and this revenue stream is going to support the basic transportation infrastructure needs for our community for many years to come.

In our role as Military City, U.S.A., we've established the Patriot Award. Through the efforts of our Veterans' Commission we have recognized San Antonians for their heroic actions in their service to our nation. And I want to thank General Karen Rankin and the members of

the Veterans' Commission in supporting and creating this new recognition.

The Cultural Collaborative, a community plan for San Antonio's creative economy is now in full swing. Ramiro Cavazos, Felix Padron have worked together in tying economic development and culture. I want to thank county judge, Nelson Wolff for his efforts to provide a funding stream to support culture and arts in our community, which is so important to improving the quality of life of our city.

We also saw the San Antonio Symphony...not saw, we heard the music again as they took big steps towards becoming financially self-sufficient.

And on a food note, kudos goes out to Kit Goldsbury and Silver Ventures for the redevelopment of the old Pearl Brewery. Of special note is the unique partnership with the Culinary Institute of America for a Latin American focused school. This will create a new dimension in our menu of attractions as a hospitality community.

But perhaps the project that will have the greatest impact to our hospitality industry was the near-unanimous vote in supporting the P.G.A. Tour. I want to thank the members of this Chamber, our partners in our alliance, the members of this community for supporting not only a great project for this community's economy, but a project that represents a model for environmental protection. I especially want to give thanks to Bill Greehey and Ed Whitaker for keeping that door open for the P.G.A. Tour and making that a reality.

Other issues in 2004 were not so happy to reflect back upon. We lost some really good people who worked hard to make San Antonio what it

is. Bunny Raba, Bob Ross, Roger Flores, Sr., Shelton Pageant, Nancy Engelbert, Tom Powell, and Bernard Lefschetz, just to name a few. They represented the best in public service and they truly will be missed. We also had to face some very sad and challenging issues. We had too many instances of tragic child abuse, too many teenage pregnancies, a high drop-out rate that continues in our public schools, too many stray dogs and cats, and too many homeless and hungry. These are the issues that the Council refocused attention, energy and resources and are doing more now.

And speaking directly of the City Council, it's rewarding to see how far and fast these new members have developed. It has truly been a pleasure to serve with these 10 members, and I have now served on multiple Councils, and I can honestly say collectively this is the hardest-working, honest Council that I have worked with, and I want to thank each one for making my job easier...not all the time, but most of the time, making it easier as Mayor.

Roger Flores continues to focus on HemisFair Park, the downtown attractions, and neighborhoods. I want to thank him for his work and his leadership. Joel Williams has made significant changes in the way we celebrate Martin Luther King's memory, and has re-drawn a new east side. He said there's a City South we also need a City East, and his work through the Urban Land Institute. Ron Segovia has worked mightily on launching City South and Brooks City Base. Richard Perez has made accountability of government a top priority in the improvement of his district, hallmarks of his service. Patti Radle has shown true compassion for the homeless and the hungry, and for good governance in the environment. And Ricky Barrera, the dean of the Council, has focused on workforce development and education. He also chairs our

International Affairs Department that will be working hard in hosting the tri-lateral conference, when we have our friends from Mexico and Canada here in May. And when he's not running for Mayor, Julian has focused on senior citizens and young peoples' safety issues as well as economic development initiatives. Art Hall is Mr. Environment. Water quality, Aquifer protection and transportation are just a few of his issues. Carroll Schubert has become the "go-to guy" for transportation and infrastructure issues, including the museums and the Japanese Tea Garden. Chip Haass is still not playing soccer, but working hard to get a major league soccer team to our community, and he's also made it safe to go back into adult clubs. Chip is the youngest one on the Council so he's the one that gets to be picked on, but Chip, you're doing a great job.

And while I'm recognizing the City Council I must also recognize my staff. I'd like my staff to stand and be recognized, who have worked hard in support of good public policy, and the city staff, led by our City Manager Rolando Bono and the Assistant City Manager department heads. Many of them are here, please stand and be recognized.

What occurred in August of this past year between the Council and the then City Manager was very difficult. However, I was very proud of each member of the City Council and City Staff on dealing with such an uncomfortable but needed change. This Chamber disagreed with the consensus of the Council and my actions leading up to that decision. The conflict that arose in those days was fierce and bitter. The decision the Council made was ultimately in the best interest of the city, and again, to our city employees who worked through that transition and our City Council, from the bottom of my heart I want to thank you for this transition that we are currently in the middle of here at City Hall. And perhaps John F. Kennedy said it best, "Change is the law of life, and

those who look only to the past or present are surely going to miss the future.” So let us look to the future.

However, rather than think about the future of the next six months, before I’m out of office, or 2005, let us challenge ourselves to look at the future of San Antonio in the context of a generation. What will be said during the 2030 State of the City Address by Mayor Medina? That’s my intern, David Medina, who aspires to be Mayor. What will be said of the first 30 years of the 21st Century? What will your contribution be? If our city’s first 60 years were described as miserable, followed by the distinction of being the most fought-over city, to becoming known as Military City, U.S.A. to the most visited Texas city, then what do we want San Antonio to be known as in the year 2030? Is the answer the most educated city? The healthiest city? Most creative global city? San Antonio has all the essential ingredients to become all of these and much more. We have a wonderful story to tell, not a perfect story but a humble journey where persons from different cultures have sacrificed their time, and resources and even life for what they believe. The stories of our city’s rich history paint a vibrant mosaic that can only be seen and appreciated from afar. We must kick the habit of viewing our mosaic on an issue-by-issue basis. We have heard from U.T.S.A. demographer, Dr. Murdock, that the projected growth for San Antonio will continue, and if we assume the current rate and population, in the year 2030 we will reach 2.5 million people. Our future population growth will be predominantly Hispanic with a significant percentage being under the age of 20, because San Antonio will be blessed with this growth and its recognition as the most Mexican-American city in the United States, it is critical that we give the next generation all the tools that they need to position our city to be the most vibrant, creative, healthiest, most educated and global city of tomorrow. Therefore we must stay focused

on the basic principals that have brought us to where we are today. These five principals are to diversify, to target and to continue to invest in our economy, to educate and train our workforce for tomorrow, to build and rebuild neighborhoods that are sustainable and add long-term value to our city, to overhaul outdated governing structures that run our public entities, and to invest in infrastructure and services that enhance the overall quality of life.

Sounds simple. With this in mind, the next several months we'll be focused and targeted. Allow me to highlight some of the specific projects that we'll be focusing on following these guiding principals. There is no doubt that Toyota's investment in San Antonio has dramatically affected our economy and further enhanced our diversification strategy. The supplier park has doubled the economic impact that we had projected. Furthermore the inclusion of local business partners, such as Berto Guerra, Fernando Reyes, Frank Guerrera and Max Navarro, have opened new doors for business expansion. What we learned from Toyota is we need a plan, collaboration and most of all capital to grow business in our city. We will stick to our list of target industries and focus our efforts in telling the San Antonio story to a select group of Fortune 500 companies looking at decentralizing their functions. Ramiro Cavazos and Mario Hernandez are now better equipped to compete against other cities. Especially significant was the request by City Council to City Public Service to establish the community infrastructure and economic development fund known as the Seed Fund. The unanimous action by the C.P.S. Board two weeks ago replaces the city's \$12 million economic development fund with a \$43 million fund that is projected to grow annually by \$10 million a year to support economic development in our city. This is one tool unmatched by any municipality in the United

States and ultimately becomes the power needed to fully charge our economic development strategy. But we cannot stop there. We must continue our investment in our education and workforce development programs. The education partnerships should be expanded to every public high school in San Antonio. In addition, we must all be supportive of the critical dialog between our school district leaders, and I applaud the Hispanic Chamber and Elaine Mendoza and her Board for taking that bold step in bringing our school leaders together. We've had several examples of education partnerships worth noting. The Employer Education Council, led by Tom Frost, the Texas A&M P through 16 Council that includes the University, the Central Southwest and Southside school districts. U.T.S.A. has several active partnership arrangements with Palo Alto and a number of school districts. We are blessed with a dynamic higher education establishment. U.T.S.A. is rapidly approaching Tier 1 status, and has a student load that makes it the 2nd largest in the U.T. system. We have nine higher education establishments in San Antonio, and we have the prospect of the 10th, Texas A&M at San Antonio at City South. Thank you, Joe.

Another example of changing occurrences in our economy is in the area of Homeland Defense, and it is no secret that we have a unique advantage here in our community not only to provide the basic public security for our community in Homeland Security and Chief Tim Kidd is the head of our Emergency Operations Center and has done an excellent job through this transition, will be building a new Emergency Operation Center to be located at Brooks. But it's to take that security purpose and translate it into jobs, economic development, and through the Southwest Enterprise for Regional Preparedness and the support of SATAI we are creating economies, creating jobs in the area of Homeland Security & Defense.

In another matter of transition I want to speak briefly about the search for a new City Manager. The City Council and I have listened to the input from the community. The message we heard loud and clear was the need for change. The Council and I will look for a City Manager who will be a change agent, one who can orchestrate the new approaches and programs that will be needed to meet the coming changes in the way local governments operate. Does this mean we're going to go to a strong Mayor form of government, like they're trying to do in Dallas? Not necessarily. But what we have to do is come up with a structure that works for us. The important thing is we must create an environment that will allow us to begin a series of discussions that may lead to some new governing structure.

And perhaps an area of change most dear to me is the changing approach to urban development and sustainability. You only need to go north to see some of the problems with congestion, overcrowded schools, the lack of planning to see that we've made some mistakes. My hope for the future for our entire city is that what is happening at City South can become a new way of thinking. We are now engaged in the master plan efforts for the 60 square mile areas. Just last week Judge Wolff and I hosted the first of the City South Advisory Committees, and the first master plan community in City South, Espada, will also become a breakthrough in this new way of thinking for development. I would like to acknowledge Senator Frank Madla, Representative Robert Fuentes, Representative Carlos Uriste, as they have guided the implementing legislation that created City South. And I also want to thank Jelynn Burley and her staff who has worked very hard, not only in the negotiations with Texas A&M University, Espada and the many projects that are currently in the works at City South.

As I look forward to 2005 as a year of transition I'm excited by the vibrancy of the city. Yes, we need to do many things to correct the errors of our past. Yes, we need to do something about the education of our young, protection of our threatened, and provide some sort of safety net for all.

In conclusion, since the Battle of the Alamo, San Antonio has seen more than it's share of conflict and strife, whether it was on the expanding of the original city limits in 1940 or the building of U.S. Highway 281, removing neighborhoods for HemisFair '68, the location of U.T.S.A. and the South Texas Medical Center, building over the recharge zone, building of the Alamodome, the P.G.A. Project or the current A.C.C.D. bond election, San Antonio has managed to work through the conflicts to realize prosperity, the soul of San Antonio.

But at what cost? This is the basic question posed in the email by Mr. Swatner. In case you're curious how I responded, I basically told him I didn't know what the answer was, but perhaps that a soul in the next generation could provide the answer. His response back to me was that perhaps that soul was his teenage daughter, Tiffany, or maybe it's one of you.

Ladies and gentlemen it is a privilege to be the Mayor of San Antonio, to be your Mayor. And if growth and prosperity of a city is measured by its conflict and public debate, then I've had my share of success.

Thank you very much.

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END OF STATE OF CITY ADDRESS

TRANSCRIBED BY: KAREN MAXFIELD
FEBRUARY 22, 2005

This is to certify the above statement is a true transcription to the best of my ability.